

## CHAPTER 10: HOME EQUITY CONVERSION MORTGAGE LOAN POOLS

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**(A) Description of Home Equity Conversion Mortgage Loan Pools (RA, RM, AL, ML and RF)**

This Chapter describes custodial requirements for the following pool types. Chapter 35 of this Guide describes the HMBS program more generally:

Pool Type	Ginnie Mae MBS Guide
Home Equity Conversion Mortgage Loan Pools – Special Requirements (HECM / HMBS) RA, RM, AL, ML and RF	Chapter 35

In accordance with the conditions of the Master Custodial Agreement, form HUD11715 (Appendix III-4) (“form HUD11715”), and the certification required on the Schedule of Pooled Participations and Mortgages, form HUD11706H (Appendix III-28) (“form HUD11706H”) and the Guide, the Issuer must deliver the documents set forth below to the document custodian at the premises indicated on the form HUD11706H. At the discretion of the document custodian and the Issuer, documents may be delivered incrementally or after all required documents have been received for individual loan files. However, the Issuer may not collect all documents relating to an entire pool before forwarding the documents to the document custodian.

**(B) Responsibilities**

It is the document custodian’s responsibility to:

- (1) Accept the documents when delivered;
- (2) Verify that the documents relate to the loans listed on the related form HUD11706H;
- (3) Review documents for completeness and consistency in accordance with the review procedures required by this Manual and by Chapters 11, 13, and 35 of the Guide;
- (4) Notify the Issuer of any documents received that require correction or completion before certification can be made; and
- (5) Certify that the documents received satisfy the requirements of initial and final certification and, if necessary, recertification.

It is the Issuer’s responsibility to correct or resolve defects, or to provide the document custodian with adequate clarification for those defects that are not considered material. Ginnie Mae may impose sanctions on Issuers that fail to meet certification or recertification deadlines. Such sanctions may include, among others, a letter of credit intended to mitigate Ginnie Mae’s risk exposure. For an Issuer subject to sanctions, the document

custodian must indicate and attest to Ginnie Mae those loans that do not meet certification requirements.

**(C) Initial Certification:  
Non-Representations &  
Warranties (“R&W”) and  
R&W Issuers**

(1) Required Pool and Loan Level Documents

For initial certification, the document custodian must obtain from the Issuer the following properly executed pool and loan documents:

- (a) Form HUD11706H;
- (b) Certification and Agreement, form HUD11711B (Appendix III-5 of the Guide) (“form HUD11711B”). If the form HUD11711B indicates a second party interest in any pooled mortgage, at least one original Release of Security Interest, form HUD11711A (Appendix III-5 of the Guide) (“form HUD11711A”), is required. If there are no second party interests in the pooled mortgages, a form HUD11711A is not required;
- (c) The original note or other evidence of indebtedness (including documents required for modified loans) endorsed in blank and without recourse by the pooling Issuer. In all cases, the last endorsement is required to be made by the pooling Issuer in blank and without recourse. Ginnie Mae requires that the chain of endorsements from the originator of the loan to the pooling Issuer of the note be complete;
- (d) The home equity conversion loan agreement;
- (e) All security instrument assignment(s) if the current issuer did not originate the loan. The intervening assignments must document a complete chain of title from the originating mortgagee to the issuer.

Intervening assignments must be recorded if jurisdictional law requires such recordation. At initial certification, the Issuer may use a blanket pool certification which certifies that all intervening assignments for an individual pool have been transmitted for recordation.

As an alternative to individual intervening mortgage assignments, a blanket intervening assignment is acceptable if allowed in the jurisdiction in which the mortgaged properties are located, as documented in an opinion from qualified outside legal counsel

an opinion from qualified outside legal counsel. Blanket intervening assignments to an Issuer can be made for mortgages in separate and distinct pools as long as the mortgaged properties are located in the same recording jurisdiction.

(f) The preliminary title report or title commitment.

The document custodian must complete the initial certification on GinnieNET. In no case may a Request for Release of Documents, form HUD11708 (Appendix V-4 of the Guide) (“form HUD11708”) substitute for a required loan document at the time the document custodian performs an initial certification. Releases can be processed after the document custodian transmits its certification to Ginnie Mae via GinnieNET.

(2) Loan Documents Supporting Each Separate Participation

If items 10(C)(1)(c) through 10(C)(1)(f) have been received on a prior securitization of a participation of the related loan by the document custodian, the custodian must still verify the information in section 10(C)(3). By executing the initial certification, the document custodian is certifying that they are in possession of the previously delivered documents and the information provided therein matches to the current form HUD11706H.

In no case may a form HUD11708 substitute for a required loan document at the time the document custodian performs an initial certification.

(3) Document Custodian Procedures – Initial Certifications

At a minimum, the document custodian is required to perform the following review procedures on the pool and loan documents to confirm their completeness and consistency. Any defects discovered based on performing the review procedures must be referred to the Issuer in a timely manner for correction.

It is important to note that while the Issuer may authorize the document custodian to make corrections to the documents, Ginnie Mae ultimately holds the Issuer responsible for the acceptability (validity) of the documents.

### (a) Form HUD11706H

Submissions of the HUD11706H are only accepted through web-based GinnieNET, located on the internet at [www.ginnienet.net](http://www.ginnienet.net). Issuers are not permitted to transmit HMBS pools in any form other than through GinnieNET without prior written authorization from Ginnie Mae.

- i. Verify that the total number of loans reported on the form HUD11706H agrees with the loan files received at the time of certification or in previous submissions transmissions.
- ii. Verify that the form HUD11706H has been completely filled out for both the Issuer and document custodian, including the Ginnie Mae unique loan identification numbers.
- iii. File the form HUD11706H in the related Pool Master File.

### (b) Form HUD11711B

- i. Verify that the pool number on the form HUD11711B agrees with the Ginnie Mae pool number on the related form HUD11706H.
- ii. Determine that one of the two boxes on the form HUD 11711B has been checked.
- iii. If the form HUD11711B indicates that there is a second-party security interest in any pooled mortgage, verify that there is an original executed form HUD11711A corresponding to the affected mortgage(s).
- iv. File the form HUD11711A, if required, in the Pool Master File.

If the document custodian determines, or has reason to suspect, that an Issuer's certification is incorrect, the document custodian must refuse the form HUD11711B until the certification issues have been resolved.

### (c) Promissory Note (or other evidence of indebtedness)

- i. Verify that each item listed below is the same on both the promissory note and the related form

HUD11706H:

- Mortgagor(s) name;
- Property street address, city and state;
- Original interest rate (alpha and numeric);
- Verify the interest rate change date for ARMs;
- Verify the index type for ARMs;
- Verify the mortgage margin for ARMs; and
- Verify the lifetime interest rate cap for ARMs.

A note is deemed unacceptable if there are changes made to the face of the note that materially affect the terms contained therein, and these changes are not initialed by the mortgagor(s). Material changes include, for instance, changes to the interest rate or deletion of any of the mortgage covenants.

After verifying the consistency and accuracy of information on the form HUD11706H and the promissory note under Section 10(C)(3)(c)(i), the form HUD11706H will then be the source document to be used to verify information on all other documents at final certification.

- ii. Verify that each signature on the note agrees with the name typed below the signature line on which it appears. If a signature varies from the typed name, the degree of variance determines the acceptability of the document for certification. If the variation is a missing middle initial or the omission of "Jr." or "Sr.", it is deemed acceptable.

Other acceptable variations include a mortgagor oversigning or undersigning the document, such as the mortgagor signing either as George Allen Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variances discussed above, an original copy of the notarized name affidavit must be provided.

- iii. If the note is executed by an attorney-in-fact, a copy of the power of attorney must be included in the file and should be executed prior to the date of the note. The copy of the power of the attorney should be notarized and if the property address is present, verify it matches the property address on the note.
- iv. If the note is secured by a security interest in real property held in trust, the mortgagor must sign as both an individual and trustee (as trustee for the trust) and a copy of the trust agreement must be included in the file.
- v. Verify that a complete chain of endorsements exists from the loan originator to the pooling Issuer. Ginnie Mae requires that the chain of endorsements from the loan originator to the pooling Issuer be complete.

The endorsement should be on the note, but should not include a date. Allonges may be used as long as they are acceptable practice in the jurisdiction in which the mortgaged property is located. The allonge must be an original, must clearly reference the note, and must be firmly affixed to the note.

The Issuer is responsible for ensuring that allonges are enforceable in the jurisdiction where the mortgaged property is located. Allonges may not be used in jurisdictions where their use is not allowed.

- vi. Verify that the endorsement in blank and without recourse was made by an authorized officer of the Issuer by comparing the signature on the endorsement to the Resolution of Board of Directors and Certificate of Authorized Signers, form HUD11702 (Appendix I-2 of the Guide) (“form HUD11702”). It is the Issuer’s responsibility to ensure that the document custodian has a current copy of form HUD11702.

Ginnie Mae permits the use of facsimile signatures when placing endorsements on original notes and allonges, as long as the following conditions are met:

- The use of facsimile signatures is acceptable under the laws of the relevant jurisdiction in which the property is located;
  - Such signatures are not prohibited under the Issuer's corporate charter and by-laws;
  - The use of such signatures is authorized by a resolution duly enacted by the Issuer's board of directors; and
  - Such signatures must be notarized when required by jurisdictional law.
- vii. Examine the promissory note for sections requiring a notarization, acknowledgment or witness. If required, verify that such sections have been properly completed.
- viii. Verify that each rider, allonge, or addendum relates to and references the note. The note may reference the allonge, but such reference is not required. The rider, allonge or addendum must be an original if it requires a signature. If an allonge is required for a note correction, the corrective documents must be filed with the original note.
- ix. In the case of a missing note, the document custodian must request that the Issuer provide a copy of the note with original signatures by the mortgagors, or obtain a lost instrument bond with limited liability in the form prescribed by Ginnie Mae, from an insurance or surety company. The bond must be accompanied by the appropriate power of attorney and certification as required by the insurance or surety company. The form found in Appendix I of the Document Custodian Manual as prescribed by Ginnie Mae must be used. Substitution of a different form will not be accepted. Lost note affidavits are not acceptable.
- x. Verify for any lost instrument bond with limited liability that each item listed below has been placed on the bond:
- Name of Issuer purchasing the bond;
  - Loan number from current Issuer;
  - Name of original mortgagor;

- Legal address of property;
- Amount of bond;
- Name of surety or insurance company (Obligor);
- Date the bond was executed by surety or insurance company;
- Signature of representative for surety or insurance company; and
- Appropriate Power of Attorney and certification as required by surety or insurance company.

### (d) Home Equity Conversion Loan Agreement

Ginnie Mae will allow the use of a certified true copy of the loan agreement to satisfy certification requirements.

- i. Verify the mortgagor name matches the name on the related form HUD11706H.
- ii. Verify that each signature on the loan agreement including the exhibits agrees with the name typed below the signature line on which it appears.
- iii. Verify the lender name and a signature from the lender is present on the signature page of the loan agreement.
- iv. Verify the presence of Exhibit 1: Home Equity Conversion Mortgage Payment Plan and that each item listed below is the same on both the loan agreement and the related form HUD11706H:
  - Mortgagor(s) name; and
  - Principal limit.
- v. Verify the presence of any additional exhibits as referenced in the body of the loan agreement, i.e. schedule of closing costs, repair rider, etc. and that those agreements properly relate to the loan agreement.



Upon receipt from FHA of the certified true copy of the original loan agreement executed by FHA, the Issuer shall forward the certified true copy to the document custodian.

(e) Security Instrument Assignment(s), if applicable

If the Issuer did not originate the loan, all recorded intervening assignment(s) in the loan file must document a complete chain of title from the originating mortgagee to the Issuer.

If the loan is registered with MERS, the Issuer must provide a complete chain of intervening assignments from loan origination up to and including the assignment to MERS. If the loan was originated with MERS as the MOM, no intervening assignments will be required as long as the loan remains registered with MERS.

Prior to initial certification the Issuer must identify the loans registered with MERS.

i. Individual Mortgage Intervening Assignment(s)

- Verify that all intervening assignments follow a complete chain of title from the original lender to the Issuer or MERS. If MERS is designated in the security instrument as the Original Mortgagee, no intervening assignments will be required as long as the loan remains registered with MERS.
- Ginnie Mae requires a chain of assignments from the originator of the loan to the current Issuer. The assignments must be complete. The note endorsement may be from originator to company "C" and the intervening assignments may be from originator to company "B", then to company "C". Both documents must have a complete chain of title, even if the two chains are not identical.
- Verify that all intervening assignments have been transmitted for recordation, if required by state law. The Issuer may generate a blanket certification for each individual pool in letter form certifying that all intervening assignments have been transmitted for recordation. Copies of the intervening assignments are not required at initial certification if the Issuer

provides a blanket certification. The intervening assignments may be recorded concurrently with the security instrument or immediately thereafter. Ginnie Mae will accept marginal assignments in the margin of the security instrument if such documents are acceptable in the relevant recording jurisdiction.

- Verify that the mortgagor name(s) on the assignment agree(s) with the form HUD11706H.
- If an intervening assignment is presented that bears no evidence of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from qualified outside legal counsel that states that the assignment(s) are enforceable in the jurisdiction of the mortgage. The original legal opinion letter must be filed in the loan file.

### ii. Blanket Intervening Assignment(s)

- Verify that all blanket intervening assignments have been certified by the Issuer as having been transmitted for recordation.
- Blanket intervening assignments to an Issuer can be made for mortgages in separate and distinct pools that are in the same recording jurisdiction.
- Verify that a copy of each blanket intervening assignment is maintained in each loan file to which the blanket intervening assignment applies and that a copy is maintained in the applicable Pool Master File.
- Ginnie Mae permits the use of a blanket intervening assignment certification form in lieu of making a copy of each. The certification form must be placed in each loan file where the loan was assigned on a blanket intervening assignment, and must state that the recorded original blanket intervening assignment will be held in the Pool Master File.

- If the blanket intervening assignment bears no evidence of being transmitted for recordation, it must be accompanied by an individual mortgage legal opinion from qualified outside legal counsel, which states that the blanket intervening assignment is enforceable in the jurisdiction of the mortgages. The original opinion must be filed in the applicable Issuer Master File, with a copy in each loan file to which the blanket intervening assignment applies.

(f) Preliminary Title Report or Title Commitment

Ginnie Mae will allow the use of a title insurance company certified copy or lender certified copy of the preliminary title report or title commitment to satisfy certification requirements.

- i. Verify the property address, including city and state, is the same as on the related form HUD11706H.
- ii. Verify the mortgagor's name is listed as having title to the estate.
- iii. Verify the presence of the legal description.

***(D-1) Final Certification  
for Non-R&W Issuers***

The final certification deadline does not change because the current document custodian is not the custodian that issued the initial certification, nor does it change for a new document custodian following a transfer of Issuer responsibility or transfer of document custodial responsibility. If the new document custodian prepares the final certification, recertification will not be required. The document custodian must complete the final certification on GinnieNET.

A form HUD11708 with a non-liquidation release reason code may not substitute for a loan document or a promissory note at the time the document custodian reviews the loan file for final certification.

For loan documents released due to a non-liquidation reason using reason code 6, the pool can only become certified when and if all final and initial documents were present prior to the release or the Issuer has notified the document custodian that the loan has been liquidated from the related pool. It should be understood that pools will not be eligible for final certification by the document custodian when loan documents are released for any reason other

custodian when loan documents are released for any reason other than liquidation (reason code 6). If, at the time of final certification, the final document package is not present with the original note and all required documents (even though the document custodian may have initially certified the loan), certification can not be made until the file is returned and reinstated.

(1) Required Documents

Within twelve (12) months of issuance, the Issuer is required to deliver the following additional documents to the document custodian for final certification:

- (a) Original security instrument securing repayment of the indebtedness signed by the mortgagor and recorded (or, in the case of a modified loan, the original recorded security instruments, the related original notes, the modification agreement and any required subordination agreement or title endorsement). Upon receipt of the original security instrument/modification from the recorder's office, the Issuer is required to forward it to the document custodian. A copy is acceptable only if the original has been lost and if it clearly shows evidence of recordation. However, the related original notes for modified loans are required.
- (b) Copies of the intervening assignments are acceptable only if the originals have been lost and if they clearly show evidence of recordation, yet were not available at the time of initial certification.
- (c) Mortgagee title insurance policy or other evidence of title acceptable to FHA. A copy of the mortgagee title insurance policy is acceptable only if the original has been lost.

(2) Document Custodian Procedures – Final Certifications

For each loan file, the document custodian is required to perform the following review procedures on the documents listed to confirm their completeness and consistency. Any defects discovered during the review process must be referred to the Issuer on a timely basis for correction or resolution.

It is important to note that while the Issuer may authorize the document custodian to make corrections to the documents, Ginnie Mae ultimately holds the Issuer responsible for document validity.

### (a) Security Instrument

- i. Verify that each item listed below is the same on both the security instrument and the form HUD11706H:
  - Mortgagor name(s); and
  - Property street address, city and state.
- ii. Verify that the date of the security instrument is the same as or later than the date of the promissory note.
- iii. Verify that the security instrument includes evidence of recording or filing date stamp. Ginnie Mae exempts mortgages in Hawaii and Torrens jurisdictions from this requirement for purposes of final certification due to delays in registration in those jurisdictions. Upon receipt of the original mortgage documents from the recorder's office, the Issuer is required to forward said documents to the document custodian.

For loans in Puerto Rico, the document custodian must verify receipt of a copy of the executed mortgage documents affecting the title to the mortgage, filed with the recorder's office. The Issuer must certify that these are copies of the originals and that the original mortgage documents were registered in compliance with local jurisdictional law.

- iv. Verify that a legal description appears on the security instrument or on an attachment to the instrument.
- v. Verify that each signature on the security instrument agrees with the name typed below the signature line on which it appears.

If a signature varies from the typed name, the degree of variance determines whether the document is acceptable for certification. If the variation is a missing middle initial or the omission of "Jr." or "Sr.", it is deemed acceptable. Other acceptable variations include a mortgagor oversigning or undersigning the document, such as the mortgagor signing either as George Allen

Smith, G. A. Smith or George Smith when the typed name is George A. Smith or vice versa. If there is a contradiction between the typed name and the signed name other than the types of variances discussed above, a copy of the original notarized name affidavit must be provided.

- vi. Examine the security instrument for the completion of any required notarization, acknowledgment, or witness.
- vii. Verify that the trustee's name appears on the security instrument, if applicable.
- viii. Verify that any rider or addendum properly relates to the security instrument by confirming that the appropriate box has been checked on the security instrument. If the rider box is not checked and the rider is attached, it is acceptable for certification purposes.
- ix. Verify that any rider or addendum is recorded and that the recording information corresponds to the security instrument.
- x. Ginnie Mae will accept a copy of the recorded security instrument only if the original has been lost and the copy clearly shows evidence of recordation.

### (b) Intervening Assignments

- i. Determine that intervening security instrument assignments, copies of which were certified as having been transmitted by the Issuer for recordation prior to initial certification, have been replaced at final certification with either a recorded original or a copy that clearly shows evidence of recordation.

For Hawaii and Torrens jurisdictions, the document custodian must verify receipt of a copy of the executed assignment(s) affecting the title to mortgages that were filed with the recorder's office. The Issuer must certify that these are copies of the originals submitted to the recorder's office for recordation. Upon receipt of the original assignments from the recorder's office, the Issuer is required to forward said documents to the

document custodian.

For Puerto Rico, when a security instrument is constituted to secure title conveyable by endorsement or to the bearer, the security instrument right shall be considered conveyed along with the title, without the need to notify the debtor or note the conveyance in the registry.

If the security instrument requires re-recording due to changes in its payment terms, then the intervening assignments would also require re-recording and the mortgagee title insurance policy must be brought forward ("date down" the policy) to the re-recording date.

- ii. Ginnie Mae will accept minor errors and typographical mistakes on the intervening assignments as long as the recording reference is correct. For jurisdictions where recordation is not required, the document custodian must confirm that there is a Legal Opinion related to that jurisdiction. This opinion should be maintained by the document custodian in the Issuer's Master File. The original, unrecorded assignment must be maintained in the appropriate loan file.
- iii. Ginnie Mae will accept copies of the recorded assignments only if the originals have been lost and if the copies clearly show evidence of recordation.
- iv. Ginnie Mae requires that the original recorded blanket intervening assignment be maintained in the custodial Pool Master File with copies in the individual loan files. A copy of the recorded blanket intervening assignment is acceptable only if the original has been lost and the copy clearly shows evidence of recording.

Ginnie Mae permits the use of a blanket intervening assignment certification form. The certification form must be placed in each loan file where the loan was assigned on the blanket intervening assignment along with the original or copy of the recorded blanket intervening assignment (clearly showing evidence of recordation) maintained in the Pool Master File.

### (c) Mortgage Title Insurance

- i. Verify that an original title policy, where applicable, or a duplicate original signed (or countersigned) by the title company has been delivered that includes Schedules A, B, and Conditions and Stipulations or comparable information. A countersignature is acceptable on a title policy if the policy is issued by an agent of the insuring title company. A countersignature is not required if the title policy is issued by the insuring company. It is also acceptable for the title policy to carry facsimile signatures. A copy of the complete mortgagee title insurance policy is acceptable if the original is lost.
- ii. Confirm that the policy has a jacket cover if the policy is invalid without a jacket cover.
- iii. Compare each of the following items, appearing on Schedule A of the title policy, to the security instrument:
  - Date of title insurance policy, which must be the same as or later than the recording date on the security instrument. In some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In those instances, the Issuer must supply evidence that effective coverage is provided. The policy may contain language that states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

In jurisdictions where the security instrument is indexed before being recorded, the title policy must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument occurs for the purpose of altering any of the payment terms, the title insurance must be brought forward ("date down" the policy) to the



re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor name(s) and/or property address corrections.

- iv. Verify that each item listed below, appearing in the mortgage information clause to Schedule A, agrees with the security instrument:
  - Mortgagor name(s). (Minor misspellings of mortgagors name(s) are acceptable); and
  - Trustee name(s), if applicable.
- v. Verify that the legal description on Schedule A includes either of the following:
  - A phrase that specifically references the legal description in the security instrument; or
  - A complete legal description.

Ginnie Mae requires that the legal description on Schedule A exactly matches the legal description on the security instrument.

- vi. Verify that the named insured under the title insurance policy is the name of the mortgagee. Absent the mortgagee name, the title policy definition of “insured” must include each successor in ownership and any government agency or instrumentality that is an insurer or guarantor under an insurance or guaranty contract insuring or guaranteeing the indebtedness.

The name of the insured must include the originating mortgagee and “its successors and/or assigns”. The policy must be accompanied by an endorsement to the Issuer as the mortgagee if the definition of “insured” did not include each ownership successor of the indebtedness secured by the mortgage. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of “insured.”

- vii. If a short form title policy is used, the following information must be verified:
  - Date of title insurance policy, which must be

the same as or later than the recording date on the security instrument; in some jurisdictions, however, the title insurance policy is delivered prior to recordation of the security instrument and may be dated earlier. In these instances, the Issuer must supply evidence that effective coverage is provided. The policy may contain language which states that the title company insures, as of the date of the policy, against loss or damage sustained or incurred by the insurer by reason of the priority of any lien or encumbrance over the lien of the insured mortgage.

In jurisdictions where the security instrument is indexed before being recorded, the title policy must evidence effective coverage. As evidence, some title companies issue an endorsement to the title policy insuring against loss as of the date of the policy.

If a re-recording of the security instrument for the purpose of altering any of the payment terms occurs, the title insurance must be brought forward ("date down" the policy) to the re-recording date. This is not necessary in cases of misspellings or corrections of mortgagor names(s) and/or property address corrections.

- Mortgagor name(s). (Minor misspellings of mortgagors name(s) are acceptable);
- Property street address, including city and state;
- Date of security instrument; and
- Verify that the named insured under the title insurance policy is the name of the mortgagee or that the title policy definition of "insured" includes each successor in ownership and any government agency or instrumentality that is an insurer or guarantor under an insurance or guaranty contract insuring or guaranteeing the indebtedness.

The name of the insured must name the originating mortgagee and include "its

successors and/or assigns". The policy must be accompanied by an endorsement of the policy to the Issuer as the mortgagee if the definition of "insured" did not include each successor in ownership of the indebtedness secured by the mortgage. All standard ALTA policies include each successor in ownership of the indebtedness secured by the mortgage in the definition of "insured."

- viii. If a clerk-certified Torrens certificate or an original attorney's opinion which references an abstract of title has been provided, review should proceed accordingly.

The attorney opinion or abstract of title must be dated on or after the date the mortgage was recorded.

- ix. If a master title policy is used, a copy of the certificate of title must be placed in the loan file and the review should proceed accordingly.
- x. Verify the existence of an adjustable rate or condominium endorsement to the title insurance policy if an adjustable rate and/or condominium rider is attached to the security instrument.

### ***(D-2) Final Certification for Reps&Warrants (R&W) Issuers***

An R&W Issuer's custodian may finally certify pools without receipt of the security instrument, title policy and intervening assignments ("trailing documents"). All other requirements disclosed in Section 10(D-1), and described above, must be met.

R&W Issuers must still procure the security instrument, title policy and intervening assignments, but may do so in the normal course of business. In addition, if a final certification is being performed as a result of the transfer of servicing rights to a non-R&W Issuer, then all of the requirements of Section 10(D-1) must be met. R&W Issuers are strongly encouraged to perform a review of all related trailing documents prior to submitting the documents to the custodian for fiduciary tracking and storage.

### ***(E) Recertification***

Recertification procedures for a finally certified pool are required if there is a change of Issuer or document custodian responsibility. If the new document custodian prepares the final certification, recertification will not be required. See Section 10(D-1) above. The recertification is required to assure Ginnie Mae that the required intervening assignments have been recorded and filed with the document custodian. The recertification also confirms that

with the document custodian. The recertification also confirms that the required loan documents have been received by the document custodian and meet Ginnie Mae's certification standards. Recertification must be performed within twelve (12) months of the pool transfer date. The document custodian must complete the recertification on Ginnie*NET*.

(1) Recertification Process – Non R&W Issuers

The following sections describe Ginnie Mae's minimum recertification requirements for Issuers who have not entered into a R&W agreement with Ginnie Mae.

a. The recertification procedures are as follows:

- i. Reconcile all loans listed on the original form HUD11706H to the active loans listed in the Issuer's current loan trial balance and the forms HUD11708 for any loan files that have been removed. Mortgages that have been liquidated must be noted or deleted by manually lining out the terminated loans, referring to the original schedule by attachment of the form HUD11706H; or
- ii. Attach a list of the loans remaining in the pool, per the Issuer's current trial balance, to the recertification form HUD11706H. The information provided for each loan must be the same as the information required on the front of form HUD11706H.

b. Verify that the following loan documents are present:

i. Promissory Note

- Verify that the promissory note, and allonge if applicable, is an original document with an original signature, or a lost instrument bond.
- Verify that the promissory note is endorsed up to the pooling Issuer in blank and without recourse.

ii. Home Equity Conversion Loan Agreement

- Verify that the loan agreement is a certified true copy and that all exhibits referenced in the body of the agreement are attached.

### iii. Security Instrument

- Verify that the security instrument is a recorded original or copy that clearly shows evidence of recordation, if state law requires recordation.

### iv. Intervening Assignments

- Verify that all intervening assignments are recorded originals, unless state law does not require recordation. A copy is acceptable only if the original has been lost and if it clearly shows evidence of recordation. Intervening assignments required on or before March 31, 1979, are not required to be in the custodial file in order for the recertification to be completed.
- Verify that all intervening assignments required on or after April 1, 1979, follow a complete chain of title from the original lender to the current Issuer.
- The note endorsement may, for instance, be from originator to company "C," and the intervening assignments may be from originator to company "B", then to company "C". Both documents must have a complete chain of title, even if the two chains are not identical.

### v. Mortgagee Title Insurance

- Verify the existence of an original title policy or a duplicate signed original (or countersigned) by the title company. A copy of the title insurance policy is acceptable if the original is lost.
- c. Verify that any forms HUD11708 with non-liquidation release codes are not included in active loan files and the Pool Master File in the place of a promissory note. In the absence of the promissory note, for purposes of recertification, all documents required for final certification plus a lost instrument bond are required.
- d. Verify that all original forms HUD11708 with

## CHAPTER 10: HOME EQUITY CONVERSION MORTGAGE LOAN POOLS

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liquidation codes are included with the form HUD11706H in the Pool Master File, applicable to Section 10(E)(1)(a) above.

### (2) Recertification Process – R&W Issuers

The following reflects Ginnie Mae's minimum recertification requirements for Issuers that have entered into a R&W agreement with Ginnie Mae.

#### a. The recertification procedures for R&W Issuers are as follows:

- i. Reconcile all loans listed on the original form HUD11706H to the active loans listed in the Issuer's current loan trial balance and the forms HUD11708 for any loan files that have been removed. Mortgages that have been liquidated must be noted or deleted by manually lining out the terminated loans, referring to the original schedule by attachment of the form HUD11706H; or
- ii. Attach a list of the loans remaining in the pool, per the Issuer's current trial balance, to the recertification form HUD11706H. The information provided for each loan must be the same as the information required on the front of form HUD11706H.

#### b. Verify that the following loan documents are present:

##### i. Promissory Note

- Verify that the promissory note, and allonge if applicable, is an original document with an original signature, or a lost instrument bond.
- Verify that the promissory note is endorsed up to the pooling Issuer in blank and without recourse.

##### ii. Home Equity Conversion Loan Agreement

- Verify that the loan agreement is a certified true copy and that all exhibits referenced in the body of the agreement are attached.

#### c. Verify that any forms HUD11708 with non-liquidation

release codes are not included in active loan files and the Pool Master File in the place of a promissory note. In the absence of the promissory note, for purposes of recertification, all documents required for final certification plus a lost instrument bond are required.

- d. Verify that all original forms HUD11708 with liquidation codes are included with the form HUD11706H in the Pool Master File, applicable to Section 10(E)(2)(a) above.

R&W Issuers must still procure the security instrument, title policy and intervening assignments, but may do so in the normal course of business. In addition, if a recertification is being performed as a result of the transfer of servicing rights to a non-R&W Issuer, then all of the requirements of Section 10(E)(1) must be met by the seller prior to requesting a pool transfer.

### (3) Document Custodian's Recertification

Loan files that have been released for a non-liquidation reason under reason code 6 and are returned to the custodian after recertification of the pool must meet the final recertification standards for the pool. Loan files or documents released to an Issuer for a non-liquidation reason under reason code 6 must be returned to the document custodian within 90 days. When a loan file or document has been released for more than 90 days, it is overdue for return to the document custodian. The document custodian must notify the Issuer of overdue documents or loan files after 90 days. The notification must be in writing and be documented in the inventory or file. If the loan file or document is overdue by 180 days, the document custodian must notify Ginnie Mae's Office of Mortgage-Backed Securities (see [Addresses](#)), and the affected pools will be considered decertified until the loan file has been corrected.

### ***(E) Update of Legal Opinions***

All blanket legal opinions from qualified outside legal counsel must be verified or updated the earlier of every twelve (12) months or at the time of change in applicable laws. Such updated opinions will only apply to transactions that occur after the changes in law. The Issuer is responsible for updating legal opinions and providing them to the document custodian.